

## Competition Drives Agency Performance

Agencies need to grow in order to maintain value. This is common knowledge in the insurance distribution system. Understanding the importance of new business production is the easy part. Making it happen, on the other hand, is not so simple. During 2010, the average agency declined in commission and fee income. Over the past five long, soft-market-plagued years, agency executives have been forced to re-evaluate every aspect of their business in order maintain revenue. This re-evaluation process included several crucial, sometimes complex strategies such as compensation adjustments, staff reductions, expense cuts, producer accountability and rigorous new producer recruiting. When trying to redesign your sales culture, not every strategy or tactic needs to be complicated. Start simple. Build a competitive environment within your organization, specifically within your production staff.

New business production is the most objective indicator of producer performance. This is an obvious metric that should be tracked, measured, highlighted and publicized internally. Many high-growth agencies publicly show new business production numbers on a conference room wall, screen saver or through company-wide emails on a weekly or monthly basis (see example on back). The best producers in the industry are highly motivated by competition and enjoy seeing their name at the top of the list.

Public posting is meant to drive peak performance. Posting new business is not meant to demean or embarrass individuals, but rather to encourage everyone to participate in the growth process. Some agencies even tie new business production goals into staff (service/support) bonuses. This encourages service and support people to offer assistance to producers so that producers can focus their time on prospecting and closing.

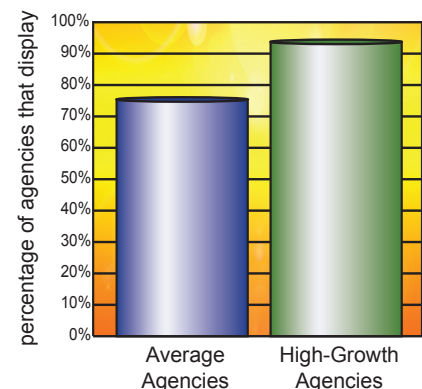
Competition can also be used to drive new producer activity. Rather than hiring one producer each year, consider bringing on two or three. Set up group discussions with your newly-hired producers to discuss each individual's activity including attempts, conversations, recent new business appointments and closed accounts. Then, each new producer will have the ability to benchmark their performance against their peers. A future superstar should thrive in this environment.

New business production is not the only metric that should be measured. Also track and reward:

- *Total Number of New Business Appointments over a specific account size threshold (i.e. \$5,000 in commission)*
- *Total Number of New Business Inter-Agency Referrals (i.e. P&C referral to Benefits or vice versa)*
- *Total Number of Closed Business Accounts Over a Producer's Career Account Threshold (The career account threshold is defined as the smallest account in the top 20% of a producer's book of business. For example, if a producer had 100 total accounts, the career account threshold would equate to the 20th largest account within that book of business.)*
- *Largest Amount of Potential Revenue Active in a Producer's Pipeline*

Competition makes the workplace more enjoyable, but more importantly motivates and modifies behavior. That which gets measured and rewarded, gets accomplished. The best organizations in the country were built by highly competitive individuals, motivated not only by lucrative compensation, but also the passion and desire that surrounds winning.

**Publicly displays producer YTD new business production**



Authored by Tommy McDonald, Product Manager  
440-392-6700 / TomM@MarshBerry.com



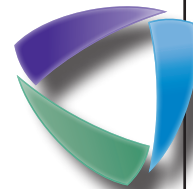
## Closed Business Summary (a scoreboard example)

	YTD Written New Business Commission	YTD New Business Goal (thru June)	Annualized New Business Goal	YTD Variance	YTD Variance %
<b>Total Agency</b>	<b>\$628,771</b>	<b>\$510,000</b>	<b>\$1,020,000</b>	<b>\$118,771</b>	<b>23.3%</b>
<b>Commercial Lines</b>	<b>\$339,519</b>	<b>\$325,000</b>	<b>\$650,000</b>	<b>\$14,519</b>	<b>4.5%</b>
David Bell	\$49,938	\$37,500	\$75,000	\$12,438	33.2%
Helen Martin	\$145,211	\$125,000	\$250,000	\$20,211	16.2%
Trent Fredricks	\$51,412	\$50,000	\$100,000	\$1,412	2.8%
Eddie Johnson	\$37,541	\$37,500	\$75,000	\$41	0.1%
<b>Tom Arbeden</b>	<b>\$55,417</b>	<b>\$75,000</b>	<b>\$150,000</b>	<b>(\$19,583)</b>	<b>-26.1%</b>
<b>Benefits</b>	<b>\$220,290</b>	<b>\$125,000</b>	<b>\$250,000</b>	<b>\$62,191</b>	<b>49.8%</b>
Alice Adams	\$101,570	\$50,000	\$100,000	\$51,570	103.1%
John Hower	\$85,621	\$75,000	\$150,000	\$10,621	14.2%
<b>Beth Starling</b>	<b>\$23,438</b>	<b>\$37,500</b>	<b>\$75,000</b>	<b>(\$14,062)</b>	<b>-37.5%</b>
<b>Dan Green</b>	<b>\$9,661</b>	<b>\$37,500</b>	<b>\$75,000</b>	<b>(\$27,839)</b>	<b>-74.2%</b>
<b>Unvalidated Producers</b>	<b>\$68,962</b>	<b>\$60,000</b>	<b>\$120,000</b>	<b>\$8,962</b>	<b>14.9%</b>
Mark Berry	\$36,851	\$30,000	\$60,000	\$6,851	22.8%
Connor Davis	\$32,111	\$30,000	\$60,000	\$2,111	7.0%

*For validated producers, rank your reports by YTD variance to goal. This allows younger producers to potentially show at the top, when in most cases more seasoned experienced producers should be able to drive more new business.*

## The MarshBerry Sales Portal

The MarshBerry Sales Portal is a leading edge technology that combines all three major aspects of sales management into one web-based solution. The Sales Portal gives users the ability to track lead activity, pipeline and on-going client service plans.



Visit <https://SalesPortal.MarshBerry.com> for more information or contact Tommy McDonald for a private demonstration - 440-392-6700 / TomM@MarshBerry.com.

## Bring your producers to the next level with **SalesPro** Producer Training

The Fall 2011 scheduled sessions are:

- **Sales Training to Build High-Performing Producers - September 14-15, 2011**
- **Successful Prospecting Techniques - October 10-11, 2011**
- **Commercial Coverage Essentials - October 12-13, 2011**

Visit <http://PeerNetworks.MarshBerry.com/ehome/26225/TrainingSessions> for more information or contact Justin Berry - 440-220-5431 / Justin.Berry@MarshBerry.com.

These sessions are best suited for new producers and producers with stagnant books-of-business who are looking to achieve a higher level of performance.



MarshBerry • 4420 Sherwin Road • Willoughby, Ohio 44094  
800-426-2774 • [www.MarshBerry.com](http://www.MarshBerry.com)